

UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Adjustment Administration

Washington, D. C.

MEMORANDUM FOR THE SECRETARY

Re: Determination under Section 16(a) of the 1939 Agricultural Conservation Program Bulletin and Section 6(d) of the 1939 Price Adjustment Payment Regulations (P-1-(Rev.)) of practices which tend to defeat the purposes of the 1939 Agricultural Conservation and Price Adjustment Programs.

Dear Mr. Secretary:

Section 16(a)(1) of the 1939 Agricultural Conservation Program Bulletin provides in part that: "All or any part of any payment which otherwise would be made to any person under the 1939 program may be withheld (a) if he has adopted any practices which the Secretary determines tends to defeat any of the purposes of the 1939 or previous agricultural conservation programs ---." Section 6(d) of the 1939 Price Adjustment Program Regulations provides in part that: "All or any part of any payment which would otherwise be made to any person under the 1939 Price Adjustment Program may be withheld if the county committee finds that --- he has adopted any practices which the Secretary determines tend to defeat any of the purposes of the 1939 Price Adjustment Payment Program." These provisions appear to be consistent with the policy of the Congress.

It has come to the attention of the Agricultural Adjustment Administration that a relatively few producers are employing various practices to obtain payments and at the same time circumvent the provisions of the regulations governing the agricultural conservation and related programs, particularly those which relate to payments and division of payments. Of course, it is obviously difficult, if not impossible, to enumerate or set forth the particulars of all such cases, but the following practices have, at various times, come to the attention of the Agricultural Adjustment Administration as rather typical cases.

When it comes to the attention of the county or State committee that a producer has adopted one or more of the practices set forth herein-after, it is proposed to consider the adoption of such practice as a practice which tends to defeat the purposes of the affected program and to withhold from any payments which otherwise would have been made to the offending producer the respective amounts set forth in connection with each of the following items:

- (1) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a

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landlord or operator, including the landlord of a cash or standing or fixed-rent tenant, who, either by oral or written lease or by an oral or written agreement supplementary to such lease, requires by coercion his tenant or sharecropper to pay or to agree to pay to such landlord all or a portion of any Government payment which the tenant or sharecropper is to receive or has received for participation in the 1939 Agricultural Conservation Program or as a 1939 price adjustment payment.

- (2) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a landlord or operator who requires that his tenant or sharecropper pay, in addition to the customary rental, a sum of money equivalent to all or a portion of the Government payment which may be, is being, or has been earned by the tenant or sharecropper.
- (3) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a landlord, or operator, who knowingly omits the names of one or more of his landlords, tenants, or sharecroppers on an application for payment form or other official document required to be filed in connection with one of the above-mentioned programs, or who knowingly shows incorrectly his or their acreage shares of crops or unit shares of soil-building practices, or who otherwise falsifies the record required therein to be submitted in respect to a particular farm, thereby intentionally depriving or attempting to deprive one or more landlords, tenants, or sharecroppers of payments to which such landlords, tenants, or sharecroppers are entitled.
- (4) There shall be withheld, or required to be refunded, the entire payment with respect to the farm which otherwise would be made, or has been made, to a producer who requires his tenant or sharecropper to execute an assignment ostensibly covering advances of money or supplies to make a current crop, but actually for a purpose not permitted by the regulations.

All determinations in connection with these practices shall be made by the county committee, with the approval of the State committee, or by the State committee.

The above practices are identical with the first four practices set forth in the memorandum approved by you on March 12, 1940, but which were restricted to the 1940 agricultural conservation and related programs.

Your approval of this memorandum, as indicated by your signature in the space provided below, will evidence your determination that the practices set forth above tend to defeat the purposes of the 1939 Agricultural Conservation Program and the purposes for which the 1939 price adjustment payments are made, and that it is fair and reasonable to withhold, or require to be refunded, from any payments which otherwise would be made, or have been made, to a producer who has adopted one or more of the schemes or devices enumerated above, the respective amounts set forth in the items numbered (1) through (4) above.

Respectfully submitted:

(S) Walter D. Randolph
Acting Director, Southern Division

(S) N. E. Dodd
Director, Western Division

Concurring:

(S) J. B. Hutson
Assistant Administrator

(S) Martin G. White
Solicitor

Approved JUL 25 1940

(S) R. M. Evans
Administrator

(S) T. B. Walker,
Acting Director, North Central Division

(S) W. G. Finn
Director, East Central Division

(S) A. W. Manchester
Director, Northeast Division

Approved August 2, 1940

(S) H. A. Wallace
Secretary of Agriculture

The purpose of this report is to provide a summary of the results of the study conducted by the research team. The study was designed to investigate the effects of the proposed intervention on the target population. The results of the study indicate that the intervention had a significant positive impact on the target population. The findings of the study are discussed in detail in the following sections.

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